

HOUSE BILL NO. 239

INTRODUCED BY D. BROWN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A ONE-TIME PERMANENT MINIMUM BENEFIT ALLOWANCE FOR DISABLED MEMBERS OF THE TEACHERS' RETIREMENT SYSTEM WHO RETIRED WITH LESS THAN 25 YEARS OF SERVICE AND ARE RECEIVING LESS THAN \$500; PROVIDING FOR PROPORTIONATE DISTRIBUTION OF THE MINIMUM MONTHLY BENEFIT TO A DECEASED RETIRED MEMBER'S BENEFICIARY OR BENEFICIARIES; INCREASING EMPLOYER CONTRIBUTIONS; AMENDING SECTION 19-20-605, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Minimum monthly disability benefit allowance -- less than 25 years of service. (1) If a member of the retirement system retired with less than 25 years of creditable service and is receiving a monthly disability retirement allowance on July 1, 2005, that is less than \$500, then the monthly benefit must be increased to \$500 a month.

(2) If a beneficiary or beneficiaries of a deceased retired member who retired with less than 25 years of creditable service are receiving a disability allowance or allowances on July 1, 2005, that total less than \$500, then the beneficiary or beneficiaries must receive a proportionate share of the deceased retired member's minimum monthly benefit allowance of \$500.

Section 2. Section 19-20-605, MCA, is amended to read:

"19-20-605. Pension accumulation fund -- employer's contribution. The pension accumulation fund is the fund in which the reserves for payment of retirement allowances and benefits must be accumulated and from which retirement allowances and benefits must be paid to retirees or their beneficiaries. Contributions to and payments from the pension accumulation fund must be made as follows:

(1) Each employer shall pay into the pension accumulation fund an amount equal to ~~7.47%~~ 7.49% of the earned compensation of each member employed during the whole or part of the preceding payroll period.

(2) If the employer is a district or community college district, the trustees shall budget and pay for the employer's contribution under the provisions of 20-9-501.

(3) If the employer is the superintendent of public instruction, a public institution of the state of Montana, a unit of the Montana university system, or the Montana state school for the deaf and blind, the legislature shall appropriate to the employer an adequate amount to allow the payment of the employer's contribution.

(4) If the employer is a county, the county commissioners shall budget and pay for the employer's contribution in the manner provided by law for the adoption of a county budget and for payments under the budget.

(5) All interest and other earnings realized on the money of the retirement system must be credited to the pension accumulation fund, and the amount required to allow regular interest on the annuity savings fund must be transferred to that fund from the pension accumulation fund.

(6) The retirement board may transfer from the pension accumulation fund to the expense fund an amount necessary to cover expenses of administration."

NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 19, chapter 20, part 7, and the provisions of Title 19, chapter 20, part 7, apply to [section 1].

NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2005.

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